

OLD TOWN SERVICE DISTRICT

FUNCTION: Old Town Service District
DEPARTMENT:
DIVISION OR ACTIVITY:

BUDGET COMMENTS:

The City Council established the Old Town Service District in 2000 which levies special assessment taxes against properties located in Old Town Fairfax; the original sunset date for the Old Town Service District is June 30, 2020. For FY 2021, the special district tax rate remains at 6 cents per \$100 of assessed value of real property and improvements. Taxes collected pursuant to this ordinance are levied for and used to provide additional government services not being offered uniformly throughout the entire City including, but not limited to, economic and business development and promotional activities intended to foster business retention; business recruitment and developer recruitment; physical improvements to public facilities which are unique to the downtown area; and planning for the acquisition and development of public spaces needed for the downtown area. Past facility improvements in the Old Town Service District include, but are not limited to, the construction of a new library, the undergrounding of overhead utility lines and road improvements throughout the Old Town Service District.

Annual debt service (principal debt of approximately \$23 million) relating to the financing of the library, which opened in January 2008, is offset by reallocating payments due for library operating costs (due to the County of Fairfax) from the County of Fairfax to the financing institution. The library is owned and operated by the County of Fairfax; however, because of the library's location in the heart of the City of Fairfax, the City is a major beneficiary.

Financing of the Old Town Service District's undergrounding of overhead utility lines and road improvements (totaling approximately \$16 million) is supported in part by revenue generated from the Old Town District special assessment and increased revenues realized and anticipated from the ongoing redevelopment of the downtown area.

The FY 2021 Proposed budget reflects an increase of \$155,052 (77.5%) from the FY 2020 Adopted Budget. Notable adjustments include:

- **Transfer to General Fund, an increase of \$155,052 (77.5%)**
 - Increase in Old Service District expenses in FY 2021.

FY 2021 Proposed Budget - City of Fairfax, Virginia

City of Fairfax, Virginia FY 2021 Old Town Service District Budget Summary

| | FY 2019 <u>Actual</u> | FY 2020 <u>Budget</u> | FY 2020 <u>Estimate</u> | FY 2021 <u>Proposed</u> | Variance to <u>Budget \$</u> | Variance to <u>Budget %</u> |
|--|----------------------------------|----------------------------------|------------------------------------|------------------------------------|---|--|
| Fund Balance - Beginning | \$ 370,520 | \$ 7,146 | \$ 155,777 | \$ 159,584 | | |
| Revenues | | | | | | |
| Marketing Contributions | - | - | - | - | - | 0.00% |
| OLD Town Sidewalk Widening | 6,088 | - | - | - | - | 0.00% |
| Transfer from General Fund | 196,813 | 215,671 | 203,807 | 195,468 | (20,203) | -9.37% |
| Transfer from Transportation Tax Fund | - | - | - | - | - | 0.00% |
| Total Revenues | \$ 202,901 | \$ 215,671 | \$ 203,807 | \$ 195,468 | \$ (20,203) | -9.37% |
| Expenses | | | | | | |
| Old Town Redevelopment | \$ 102,399 | \$ - | \$ - | \$ - | \$ - | 0.00% |
| Old Town Signal Pole Painting | - | 35,000 | 35,000 | - | (35,000) | -100.00% |
| Old Town Improvements and Expenses | 111,535 | 165,000 | 165,000 | 355,052 | 190,052 | 115.18% |
| Transfer to General Fund | 203,710 | - | - | - | - | 0.00% |
| Total Expenses | \$ 417,644 | \$ 200,000 | \$ 200,000 | \$ 355,052 | \$ 155,052 | 77.53% |
| Less: Non-Spendable Funds | - | - | - | - | | |
| Available Fund Balance - Ending | \$ 155,777 | \$ 22,817 | \$ 159,584 | \$ - | | |

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